

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION
CASE NO.: 5:13-CV-447-FL

MAURICIO AGUILAR GAMAS and ANGEL)
MARTINEZ on behalf of themselves)
and all other similarly situated)
persons,)
Plaintiffs,)
v.)
SCOTT FARMS, INC., ALICE H. SCOTT,)
LINWOOD H. SCOTT, JR., LINWOOD H.)
SCOTT III, and DEWEY R. SCOTT,)
Defendants.)
_____)

EXHIBIT 1 – SETTLEMENT AGREEMENT

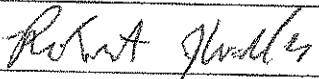
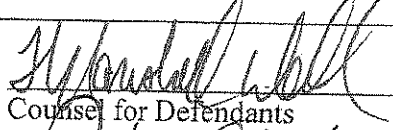
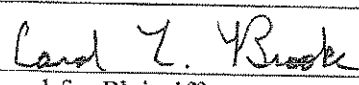
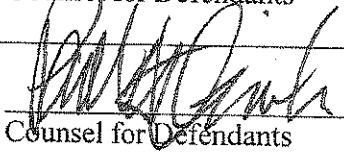
Settlement Agreement

Plaintiffs Mauricio Aguilar Gamas and Angel Martinez ("Plaintiffs") and Scott Farms, Inc., Linwood Scott, Jr., Alice Scott, Linwood Scott, III, and Dewey Scott ("Defendants") hereby make the following preliminary agreement as the result of a mediated settlement conference held on 15 September 2014 at Cranfill Sumner & Hartzog LLP:

1. Defendants will pay the total amount \$1,250,000.00 to resolve all claims asserted by Plaintiffs in the lawsuit designated as 5:13-CV-447-FL (Eastern District of North Carolina).
2. Of the total settlement amount, \$1,045,000.00 will be paid into a "Settlement Fund" to be administered by a third-party claims administrator.
3. Of the total settlement amount, \$205,000.00 will be designated as attorneys' fees and costs, subject to approval of the Court.
4. Of the Settlement Fund, \$275,000.00 will be assigned to Plaintiffs' claim under the Migrant and Seasonal Agricultural Workers Protection Act ("AWPA"). The remainder of the settlement will be attributed to Plaintiffs' claims under the Fair Labor Standards Act ("FLSA"). This settlement covers the period from 30 June 2011 through 15 September 2014 except with respects to claims made by Alicia Betancourt Chavez, which will cover the period from 20 June 2010 through 15 September 2014.
5. This settlement will resolve all claims that Plaintiffs and any class members they seek to represent may have against the Defendants through 15 September 2014.
6. Defendants will certify that all field labor used by Scott Farms, Inc. in 2014 through 15 September 2014 has been provided on H-2A visas.
7. Potential class claimants will have a period of one hundred eighty (180) calendar days after notice is mailed to them pursuant to the Court's final approval of this class settlement to submit their claim forms for all claims asserted under the FLSA.
8. Potential class claimants will have a period of three hundred sixty-five (365) calendar days after notice is mailed to them pursuant to the Court's final approval of this class settlement to submit their claim forms for all claims asserted under the AWPA.
9. 75% of any funds remaining from the Settlement Fund attributed to Plaintiffs' FLSA claims after all claims are paid will revert to Scott Farms, Inc. and 25% of any funds remaining from the Settlement Fund after all claims are paid will be paid, in equal shares, to North Carolina Interest on Lawyers Trust Accounts and the Campaign for Migrant Worker Justice. Any funds designated to Plaintiffs' AWPA claim will revert in the same percentages for the share of any worker who opts out of the class of persons making AWPA claims. Any funds remaining from the AWPA claims after all distributions are made shall be paid, in equal shares, to North Carolina Interest on Lawyers Trust Accounts and the Campaign for Migrant Worker Justice.
10. Plaintiffs will request that the two named Plaintiffs receive an incentive payment of \$10,000.00 each from the total amount of the Settlement Fund. Defendants will not oppose this request.
11. Plaintiffs and Plaintiffs' attorneys will not publicize the results of this action where the primary purpose is not the notification of potential class members. The North Carolina Justice Center may also make report of the terms of this settlement to its funders.

12. One-half of the overtime damages will be characterized as back wages and subject to withholding. These damages will be paid based on W-4 or W-9 forms on file with Defendants and based on a 365 day miscellaneous pay period. Defendants will withhold and pay employer's share of all taxes and make all required withholdings from the employees' wages. No withholdings will be made from the one-half of the overtime damages characterized as liquidated damages. Defendants will provide proper tax forms (1099 and/or W-2). The 1099 will show "other income" on line 3 for any payment of more than \$600.
13. Defendants will be responsible for the cost of administration of this settlement.
14. Defendants will make the payments set out in this agreement within thirty (30) calendar days of final approval of this settlement by the Court.

The parties will execute such further and more detailed releases or settlement agreements as may be required but this document shall constitute a binding settlement agreement as all matters set forth in it.

 Counsel for Plaintiffs	 Counsel for Defendants
 Counsel for Plaintiffs	 Counsel for Defendants